

Weinberger Will Meet Saudi Defense Minister

By John Vinocur
New York Times Service

PARIS — U.S. Secretary of Defense Caspar W. Weinberger will meet in Paris this week with Saudi Arabia's minister of defense for discussions on the Middle East, according to American and French officials.

The officials offered few details, but Mr. Weinberger's trip to Paris, where he is expected Tuesday, coincides with a planned visit by U.S. Secretary of State George P. Shultz, and the arrival of Deputy Prime Minister Tariq Aziz of Iraq, who is also foreign minister.

Mr. Shultz is to attend the annual ministerial meeting of the Organization of Economic Cooperation and Development, and Mr. Aziz plans to talk to French government officials.

But their presence in Paris, along with that of Prince Sultan bin Abd al Aziz, the Saudi defense minister, led to speculation about the possibility of important contacts concerning Lebanon.

The French Defense Ministry announced Sunday that it is routinely replacing on May 19 the 2,000 infantrymen it has stationed as part of the international peace-keeping force in Beirut with elements from the Foreign Legion.

The Foreign Legion has been traditionally used where there is an attempt to avoid casualties among regular troops and conscripts.

French news reports from the Middle East have concentrated in past days on deteriorating security in Lebanon. The Defense Ministry announcement said that five French naval vessels were in the Eastern Mediterranean and "if necessary, could head for Beirut at any moment."

French sources said that Mr. Weinberger would meet in Paris with Defense Minister Charles Hernu. They noted, again without elaboration, that Prince Sultan, who will talk to Mr. Hernu on the possibility of new Saudi purchases of French weapons, would be in Paris at the same time.

American officials have sought to portray Mr. Weinberger's meeting with Prince Sultan as a routine result of the establishment last year of a U.S.-Saudi defense coordinating committee.

The mission of the Iraqi foreign minister, whose visit comes at a time when Iraq's war effort against Iran appears to be difficult, is thought to be mainly involved with seeking five French Super Etendard fighter aircraft armed with Exocet air-sea missiles.

The Iraqis have bought more than \$3 billion worth of French arms over the last two years, largely with Saudi money and extensive credit.

But there are some indications that the French government is hesitant about providing the aircraft and missiles for fear they will be against shipping to the Gulf.

The United States, according to French sources, has been quietly urged by Arab moderates to try to draw closer to Iraq.

Unofficial Group Joins Budapest Peace March

Reuters

BUDAPEST — An unofficial peace group marched Saturday for the first time through Budapest, carrying banners with slogans and messages directed at both Moscow and Washington, witnesses said.

About 450 members of an organization calling itself Peace Group for Dialogue joined 10,000 young people taking part in an official march, they added.

Soviet Tanker Is Held As Sweden Seeks Subs

The Associated Press

SUNDsvALL, Sweden — A Soviet tanker was being detained in this northeastern port Sunday, as the Swedish Navy continued a search for submarine that were reportedly sighted last week in Sundsvall Bay.

The tanker, the M-T Ausekiens, was piloted through a minefield

point to point, but NATO officials said they felt the Swedes had not pushed their attacks to the limit.

On the other hand, Norway, which has a small but effective navy that is highly skilled in submarine hunting, has used the full strength of its antisubmarine weapons, including multiple depth charges and torpedoes, in operations against undersea intruders.

Submarine construction, often done in roofed yards to hide the boats from satellite photography, is a primary effort of Soviet military industry.

There have been recent reports that in addition to building such major units as the Oscar, the largest cruise missile submarine in the world, and the titanium-hulled Alfa, which has great speed and deep diving abilities, the Soviet Navy has been building the smaller boats, including the tracked vessels that can crawl on the ocean floor.

According to the evidence now available, the smaller boats that the Russians are developing are not as small as those built in World War II, the intelligence sources say.

The previous highest fine imposed by the NRC was \$600,000 levied in February against Carolina Power and Light Co. in North Carolina. The utility has appealed the fine. The fine imposed on the owners of Three Mile Island was \$155,000. Congress then conferred more liberal penalty powers on the NRC.



President François Mitterrand at Sunday's ceremony.

54 Are Arrested in Paris As War's End Is Marked

The Associated Press

PARIS — The police arrested 54 persons they described as militants of the extreme right Sunday during a ceremony marking the end of the war in Europe in 1945. President François Mitterrand was at the ceremony.

The police said some of the suspects were carrying tear gas, brass knuckles and toy guns. Officials said charges were being prepared against 12 of those arrested. The other 42 were being questioned.

They were arrested near the Arc de Triomphe during a ceremony marking the 38th anniversary of the end of the war in Europe on May 8, 1945.

Mr. Mitterrand, Prime Minister Pierre Mauroy and Defense Minister Charles Hernu were under the monument when the arrests were made, as were the army chief of staff, General Jean-Louis Lacaze, and the secretary of state for veterans' affairs, Jean Lurain.

None of those arrested was near the officials and the ceremony was not interrupted.

The police said they believed those arrested were members of National Front, an extreme rightist group, or of National Restoration, a monarchist group. National Front issued a statement denying involvement.

National Front members and monarchists had participated in a march earlier in the day celebrating the holiday of Joan of Arc, the 15th-century French martyr.

The police said the march drew about 4,000 people, of which about 1,000 were National Front members. When it ended, the police said about 20 youths headed up the Champs Elysées toward the Arc de Triomphe shouting, "Let's go and cause trouble."

Sunday Times Offers Apology on 'Diaries'

By Jon Nordheimer
New York Times Service

LONDON — The Sunday Times apologized to its readers Sunday for its role in presenting the now-discredited Hitler diaries as an event of historical importance.

In an unsigned Page 1 statement, the newspaper said "serious journalists" is a high-risk enterprise" and that The Sunday Times had taken a high risk by associating itself with a project that has subsequently been exposed as fraudulent.

Specifically, the newspaper had agreed to pay \$400,000 to Stern magazine of West Germany for the right to publish excerpts of the material in Britain and Australia and had printed several articles chiding

pioning the authenticity of the so-called Hitler notebooks while offering snippets of what they contained.

"For the first time," the statement said, "the risk proved to be a mistake. We owe our readers a sincere apology."

In a news story accompanying the statement, the newspaper quoted the wife of Gerd Heidemann, the Stern reporter who claimed to have discovered the diaries, as indicating that her husband had received the materials from a high-ranking official of the East German government.

The daily Bild Zeitung in Hamburg was expected to report in its Monday editions that Mrs. Heidemann had told it that The Sunday Times' interview was an invention.

On a telephone conversation with The New York Times two nights ago, the journalist's wife spoke tartly of Hitler and insisted on the genuineness of the diaries even after they had been exposed as fabrications. The Heidemanns are known to have befriended a number of convicted Nazi war criminals.

The Sunday Times of London also reported that an independent examination Saturday by a British expert of two of the notebooks quickly confirmed the earlier finding by West German officials that the documents hailed as the hidden diaries of Hitler were, in fact, forgeries.

"Our mistake," the article continued, "was to rely on other people's evidence and to be governed by their demands for urgency." Stern magazine, a West German publication previously enjoying a reputable standing in world journalism, insisted it had established the diaries' authenticity.

The tests by experts in Britain took only five hours.

Even without the prior judgment reached by German forensic and archival specialists, published on Friday, we were soon in a position to call the diaries fake," it said.

The two notebooks were also read by Norman Stone, a Cambridge University historian, who reported in Sunday's edition that "the first and most striking thing about these 'diaries' is that all of the material is old hat, sometimes of an extremely boring and elementary level."

Kuwait Agrees to Buy Arms From France

Reuters

KUWAIT — Kuwait has signed an agreement with France to buy 700 million francs (\$95 million) worth of weapons, the official Kuwait news agency KUNA said Sunday.

In a government report issued April 26, Sweden said foreign submarines, presumably Russian, intruded at least 40 times last year, and that as many as six Soviet submarines penetrated Stockholm's inner archipelago last October. Moscow has denied the charge.

Lebanon Pact May Aid Israel-Egypt Relations

By David Lamb
Los Angeles Times Service

CAIRO — Israel's agreement in principle to withdraw its forces from Lebanon is expected to lead to the restoration of full diplomatic relations between Israel and Egypt, according to Western diplomats.

Egypt, the only Arab country with which Israel has relations, withdrew its ambassador to Israel, Saad Mortada, on Sept. 20, after the massacre of Palestinian refugees by Christian Phalangist militiamen in Beirut.

Egypt's government also froze the process of normalization with Israel to areas such as trade, tourism and cultural affairs and allowed the semi-official press to make virulent attacks on the Israelis. Some newspapers compared Prime Minister Menachem Begin to Adolf Hitler.

The Israeli ambassador, Moshe Sasson, remained at his post in Cairo. But despite Washington's urging that differences be forgotten, the administration of President Hosni Mubarak said Mr. Mortada would not return to Israel until Israel agreed to a timetable for withdrawal of its troops from Lebanon.

Western diplomats said Saturday that the Lebanon agreement worked out by Secretary of State George P. Shultz was "an important step" on the road to peace.

But it made no mention of its relations with Israel and Egypt, and emphasized its belief that the Palestinians held the key to a permanent settlement in the region.

Shultz Tries To Save Plan

(Continued from Page 1)

sibly endangering the multinational force.

Mr. Arens was said to have argued that the Israelis should stay put for the moment, taking no unilateral steps without consultations with the United States, while hoping that American diplomacy and pressure from other Arab countries will eventually persuade Mr. Assad to agree to a withdrawal.

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Western diplomats said Saturday that they expected Egypt to honor that commitment and resume full relations, assuming that Israel does withdraw.

One of the fears concerning such a possible move by the Israelis is that it could be the beginning of a de facto partition of Lebanon, with the Israelis entrenched in the south and the Syrians in the Bekaa Valley.

Ariel Sharon, the former defense minister, asserted that the agreement failed to ensure the security of Israel's northern border, while leftist critics said the terms nature of the accord called into question the whole basis for the war in Lebanon.

But Mr. Arens said even a limited agreement with a second Arab country, after Egypt, was a considerable achievement.

Israeli officials also stressed the importance of the accord in terms of U.S.-Israeli relations. Now, officials predicted, Israel can look forward to smoother relations with Washington.

WORLD BRIEFS

Thai Coalition Cabinet Is Formed

BANGKOK (AP) — A four-party government and 44-member cabinet have been formed after nearly three weeks of negotiations following Thailand's April 18 general election, according to official Thailand radio.

The new coalition government of Prime Minister Prem Tinsulanonda will include the centrist Social Action, Democratic and Thai National Democratic parties and the rightist Thai Citizen Party, the radio said Saturday. The four have 209 of the 324 seats in the lower house of Parliament.

Prime Minister Prem will retain the Defense Ministry portfolio, the radio said. Two other key ministers also will serve in the same posts: Foreign Minister Siddhi Savanasi and Interior Minister Sittithi Chirachan.

Vietnam Willing to Weigh Pullout

BANGKOK (Reuters) — Vietnam has said that it would consider withdrawing its troops from the Thai-Cambodian border if Bangkok guaranteed security on both sides of the frontier.

A commentary Saturday in the official Vietnamese Communist Party newspaper, Nhan Dan, reacted to the statement last week of the Thai foreign minister, Siddhi Savanasi, that his country might consider resuming negotiations with Hanoi if it pulled its troops back 20 miles (32 kilometers) from the frontier.

The newspaper said, "We are prepared to seriously consider all proposals and measures provided that security is guaranteed for both sides." It said that Bangkok had contributed to tension on the border by helping Cambodian guerrillas operate from Thai territory.

U.S. Backs Study of Pipeline Plan

PARIS (AP) — The Reagan administration favors further study of a plan by Spain to build a North African natural gas pipeline as an alternative to Soviet gas supplies for Europe, U.S. and Spanish officials said Sunday.

The disclosure came during a one-day session of the International Energy Agency as Carlos Solchaga, the Spanish minister of industry and energy, called on Western governments at the annual energy ministers' meeting to support a proposal for the organization to study the feasibility of such a project.

The pipeline, which could cost about \$10 billion, would stretch across the Strait of Gibraltar between Spain and Morocco on the Atlantic side and link Western Europe with gas supplies in Algeria and Nigeria. The Reagan administration has been a steadfast opponent of the construction of the Siberian pipeline that will begin delivering natural gas to Western Europe next year.

Kabul Orders U.S. Envoy to Leave

WASHINGTON (Reuters) — Afghanistan has ordered the expulsion of a U.S. diplomat, the State Department said Sunday. It said Afghan authorities charged that Peter Graham, second secretary at the U.S. Embassy in Kabul, used pornographic material to buy rugs.

The department described the charge as "ridiculous and wholly without foundation." It said Mr. Graham would leave Kabul in a few days, and added that he had been scheduled to leave at the end of May for re-signature.

"We do not know what the Afghan motivation might be. We have pointed out that there is no substance to the explanation they have given us and have asked whether they could provide another," a department spokesman said. He also expressed concern about recent arrests of "white-collar Afghan employees who were performing routine administrative duties in the embassy."

Turkish Regime Warns Politicians

ANKARA (Reuters) — President Kenan Evren has warned politicians that illegal activities could delay Turkey's general elections promised for Nov. 6.

Mr. Evren told a gathering Saturday in the central province of Cankiri that the nation's military leaders were determined to prevent a return to the situation that existed before the September 1980 military coup. The ruling National Security Council last month lifted a ban on political activities.

"If it is desired for the elections to be held on the announced date, without delay, everybody ought to refrain from illegal activities and extreme acts," President Evren said.

Soviet Churches Full for Easter

ZAGORSK, U.S.S.R. (UPI) — Despite more than 60 years of official atheism in the Soviet Union, Christians filled churches to overflowing Sunday to celebrate the Eastern Orthodox Easter.

Civilian volunteers and Interior Ministry troops were stationed outside the country's 7,500 churches as believers, estimated at up to 30 percent of the adult population, took part in services on the holiest day of the Eastern religious calendar.

"The security is there to protect worshippers from young people who come by and shout atheist slogans, and to keep the drunks out," said a spokesman for the Trinity Monastery of St. Sergius in Zagorsk, a renowned pilgrimage center 44 miles (70 kilometers) northeast of Moscow.

Thatcher Meets With Cabinet Aides

LONDON (Reuters) — Prime Minister Margaret Thatcher met with advisers for eight hours Sunday but the talks ended without an announcement of a date for the next general election.

The meeting was called amid speculation that Mrs. Thatcher would seek to renew her five-year mandate next month. But before the talks Mrs. Thatcher told a radio interviewer that she would not be pushed into a decision. As senior ministers and Conservative Party officials left the meeting Sunday evening, they gave no hint of Mrs. Thatcher's plans.

Mrs. Thatcher was said to be facing enormous pressure to call an election next month, almost a year before her five-year term expires.

Meanwhile, the Labor Party leader, Michael Foot, said in a speech to trade unionists that Britain was suffering its worst economic catastrophe ever and warned of grim consequences if Mrs. Thatcher was re-elected.

37 Killed in Hotel Fire in Turkey

ISTANBUL (AP) — Authorities said Sunday that 37 persons were confirmed dead and 38 injured in a weekend fire that gutted a tourist-filled central hotel after a butane cylinder exploded in the hotel coffee shop.

Officials said earlier that 42 persons had died and 60 were injured in the blaze early Saturday at the Hotel Washington, located in the European part of Istanbul.

Witnesses said that many of the victims jumped to their deaths from the upper floors of the six-story hotel, which had no fire escapes. "I saw five people jump to their deaths," said Hasm Caliskan, the owner of a food shop across the street from the hotel. Explosions of butane gas cylinders, used for cooking and lighting, have become a leading cause of fires in Turkey.

Managua Said to Seek UN Force

MANAGUA (Reuters) — Nicaragua, fighting off invasion attempts by rightist rebels,

Guatemala Is Accused Of Murdering Indians

Cadets marching on the parade field of the Salvadoran military academy during graduation exercises. General Carlos Eugenio Vides Casanova, El Salvador's defense

minister, told them that armed struggle is the only way "to guarantee peace, sustain national tranquility and guard the respect for our traditions of justice and democracy."

Rebels' Deaths Seen Affecting Future Talks

Moderate Salvadoran Guerrilla Leader Has Gained Political Importance

By Marlene Simons

New York Times Service

MANAGUA — Events surrounding the deaths of two Salvadoran guerrilla leaders here last month offer rare glimpses into the intense differences within the Marxist guerrilla movement and its most difficult dealings with Nicaragua's leftist government.

The slaying of Melida Anaya Montes and the subsequent death, by suicide, of Salvador Cayetano Carpio, have apparently had no immediate impact on the rebels' political or military strategy.

But the struggle that led to the leaders' deaths indicates that only a small minority in their faction took that inescapable line. This minority now appears to have been responsible for the death of Miss Anaya Montes and, indirectly, that of Mr. Carpio.

The minority was also strongly opposed to recent moves toward further integration of the five guerrilla groups. It was this argument over unity, rather than the issue of negotiations, that apparently led to the murder of Miss Anaya Montes, a former teacher who became Mr. Carpio's second in command.

Her death supposedly prompted the suicide of Mr. Carpio, a former baker and union leader who became the most prestigious figure in Salvadoran guerrilla politics.

Both were known as tough leaders who stressed political organization and favored the so-called prolonged popular war over the short and risky war sought by the other guerrilla groups.

In recent months, the two — who were better known as Ana Maria and Marcial — had sought to bring their faction closer to the other groups and to push for discussions with the Salvadoran government, several guerrillas say.

In January, at a meeting of the faction's central command, a majority reportedly endorsed that view. But one member, Rogelio Bazzaglio, expressed particularly strong opposition to greater integration of the guerrilla groups.

At the heart of the debate, a well-placed source said, "was not the conduct of the war, but how to solve ideological issues after the war."

"Guerrilla squabbles often revolve around who is more pure Marxist," he said. "Some people like Bazzaglio cling to Communist dogma and others argue that the essence of Marxism is being pragmatic, being a realist, and consensus must be made."

Guatemala Is Accused Of Murdering Indians

New York Times Service

NEW YORK — An international group that monitors human rights practices has accused the Guatemalan Army of systematically murdering Indians and has called for the immediate suspension of U.S. military sales and the withholding of military aid to Guatemala.

The group, Americas Watch, said in a recent report that the human rights situation in Guatemala had deteriorated since the State Department approved a request for \$6 million worth of spare military parts last January. The approval ended a five-year embargo on arms shipments to Guatemala.

The study, based on a six-day visit in March to southern Mexico by two investigators, also said that the testimony and other information gathered from down south "contradict the U.S. State Department's claims about curtailment of abuses" in Guatemala.

According to the report, "The Guatemalan government's counter-insurgency program, begun in early 1982, has been continued and expanded."

The study said that under the government of President Efraim Rios Montt there had been a systematic campaign to murder those Indian men, women and children

whom the army regarded as supporting the insurgents or who resisted army directives.

"Although civilian men of all ages have been shot in large numbers by the Guatemalan Army, women and children are particular victims; women are routinely raped before being killed; children are smashed against walls, choked, burned alive or murdered by machine or bayonet," the report says.

The report estimated that between 70,000 and 100,000 Indians had fled to southern Mexico.

The report was written by Robert Kogod Goldman, professor of international law at the American University in Washington, and Stephen L. Kass, a partner in the New York law firm of Berle, Berle, Kass & Case. The men are members of the executive committee of Americas Watch.

Salvador Rebels Reject Amnesty

Los Angeles Times Service

SAN SALVADOR — Salvadoran guerrillas have rejected an official offer of amnesty, terming it a fabrication designed to facilitate continued U.S. military assistance to the government.

In unanimously approving a law that could free about half of El Salvador's estimated 780 political prisoners, the Constituent Assembly on Wednesday also made guarantees to guerrillas who lay down their arms.

Radio Venceremos, the rebels' clandestine station, said Friday the guerrillas "firmly rejected the amnesty law, considering it a ridiculous attempt by the dictatorship to demand what it cannot achieve on the battlefield."

Red Brigades Sentence

The Associated Press

GENOA — A Genoa court on Saturday sentenced four Red Brigades guerrillas to jail terms ranging from two to seven years. The court also acquitted three other defendants who decided to collaborate with the police. All seven fugitives charged with organizing a Red Brigades terrorist unit in Genoa.

U.S. Democrats Split on Latin Policy

By David S. Broder

Washington Post Service

WASHINGTON — "My heart was pounding so fast, I thought the microphone would pick it up," said Senator Christopher J. Dodd, Democrat of Connecticut, recalling his televised Democratic Party response to President Ronald Reagan's congressional address on Central America. In an emotional speech, Mr. Dodd charged that the increased military aid sought by Mr. Reagan would guarantee only "greater violence" and "greater bloodshed" in the region.

At a breakfast with reporters a day and a half later, House Majority Leader James C. Wright Jr., Democrat of Texas, also struggled to control his emotions. But he was assailing the "hyperbole" and "hollow rhetoric" of Mr. Dodd's speech. He added, "It is a dangerous exercise for people to club the president on a delicate matter of foreign policy."

While Republicans watched with undisguised satisfaction, the Democrats suddenly plunged their party into its most divisive internal foreign policy debate of the past three years.

A series of White House-inspired analyses by political columnists suggested that the Democrats had played into Mr. Reagan's hands by setting themselves up as the fall guys for a potential "Who Lost El Salvador?" campaign.

Mr. Reagan repeatedly raked the Democrats, accusing them of being "very irresponsible" on a party-line vote in the House Intelligence Committee aimed at stopping covert aid to the administration to guerrillas fighting the leftist government in Nicaragua.

By last weekend emotions had cooled somewhat, but the policy disagreements were just as large. Mr. Wright said he thought there was still a way to avoid a Democratic split if he conceded could subdue the antagonism of the Vietnam War period. The Democrats could be trapped, he said in an interview, "if we follow the lead of those who would totally disown the Communist guerrillas."

With the body were copies of a communiqué in which ESA, a secret rightist group, took responsibility for the murder. The notice also warned Mauricio Armando Mazarie Asturio, a Christian Democratic deputy, that the same penalties would befall "those civilian or military individuals who collaborate directly or indirectly with the Communist guerrillas."

Mr. Mazarie, in a debate in the Constituent Assembly last week, urged amnesty for political prisoners and a government crackdown on rightist death squads in El Salvador.

"In some cases there were 20, 30 agents pouncing on a house," one source said. "In the end they found everything, the weapons, even the bills for the ice picks."

Deeply disturbed by the harsh search, Mr. Carpio and his aides reportedly sent notes of protest to Nicaragua's National Directorate. But Interior Minister Tomás Borge Martínez apparently responded that there was no alternative.

By April 12, the Nicaraguan authorities had concluded that Mr. Bazzaglio had organized and executed the slaying of Miss Anaya Montes. Mr. Carpio and other guerrillas were permitted to talk with him in jail.

Mr. Bazzaglio insisted he had "acted for the good of the revolution," an informant said.

That night, after Mr. Carpio had gone to his room in a house on the outskirts of Managua, his wife and several other people heard a shot. "He had shot himself in the heart with a pistol," Mr. Samayoa said.

Mr. Samayoa said that after difficult debate "we decided to tell the truth."

"It would have been easier," he added, "for us and for Nicaragua to keep blaming the CIA." But, "if we covered up rumors, we would have caused insecurity and distrust among our people at an important stage in the war."

Sources here said the Nicaraguan government had also pressed "to tell it straight."

People who knew Mr. Carpio agreed that he had been suffering from asthma and exhaustion and was deeply affected by the death in the field of a close friend, a guerrilla leader known as Bernardo.

While the killing of Miss Anaya Montes had deeply disturbed him, several people close to the events said, the investigation of his group and the betrayal by people close to him were perhaps greater blows.

Staying in San Salvador

The body of a young man who had apparently been strangled and then shot in the head was found

Friday night in the parking lot of the Camino Real Hotel in San Salvador, The New York Times reported.

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vow" what he called the "democratically elected government" of El Salvador, which is fighting leftist rebels who Mr. Reagan says are supported by Nicaragua.

Mr. Dodd, in a separate interview, said he had known that "there were a lot of Democrats who agree with the president on this." But, he insisted, "it was no mistake for the Democrats and no mistake for me" to challenge Mr. Reagan's contention that the source of trouble in Central America is external communist-backed subversion.

And he said there was "not much danger" of Mr. Reagan being able to blame Democrats for tying his hands in Central America.

Senior Democrats, including some who differ with Mr. Dodd and others who share his view, tried to argue that if anyone had breached bipartisanship on a foreign policy issue, it was Mr. Reagan.

Representative D. B. Fascell of Florida, the ranking member of the Foreign Relations Committee, said the president was "not willing to give us a voice in the formulation of policy debate of the past three years."

A series of White House-inspired analyses by political columnists suggested that the Democrats had played into Mr. Reagan's hands by setting themselves up as the fall guys for a potential "Who Lost El Salvador?" campaign.

For all their efforts to shift political responsibility to the president, many Democrats acknowledged that the Central American policy debate had revealed deep divisions

within their party on the limits and use of U.S. power. Those divisions, many said, stem from generational and geographical differences as much as ideological and strategic ones — and thus may be all the more difficult to bridge.

Many Democrats — out of deference to the president or fear of the fickleness of public opinion — would prefer to avoid an open confrontation with his policies.

Democratic congressional leaders' aides said suggestions were made to Mr. Dodd that in his response to Mr. Reagan's speech on Central America, all the potential presidential candidates and all the major constituency and ideological groups agreed to a foreign policy and national security program portraying what Senator Paul E. Tsongas of Massachusetts called "a picture of Democratic unity."

"For the first time in a long time," wrote the hawkish activist Ben Wattenberg, "the Democratic Party has taken a big step toward a tough, intelligent statement about defense and foreign policy."

But Mr. Wattenberg assailed Mr. Dodd's official Democratic Party response to the Reagan speech as "demagogic" and warned that unless the Democrats extend substantial cooperation to Reagan in Central America ... they will risk losing the election to a Ronald Reagan who will charge all across the nation denouncing them as spineless."

That fear is widespread among congressional Democrats, even though public opinion polls suggest that an expanded U.S. role in Central America is politically unpopular.

Costa Rica Asks OAS for Border Force

New York Times Service

WASHINGTON — A request by Costa Rica for the creation of an international force to police its border with Nicaragua is scheduled to be taken up this week by the Organization of American States, according to officials of the organization.

The request, made Thursday by the acting foreign minister, Echirri Peters, is to maintain a "neutral position with respect to the domestic conflict now existing in Nicaragua."

Costa Rica abolished its army 34 years ago and "finds it difficult to exercise surveillance with its police force," he said.

Nicaragua has alleged that the border is being crossed by edified rebels seeking to overthrow the Sandinist government.

Organization officials said early indications were that many Latin and Central American nations supported the peacekeeping proposal.

Nicaragua is also believed to be supporting the request, they said.

Some officials said privately that if a border force were created the United States would be expected to provide logistical help and possibly helicopters.



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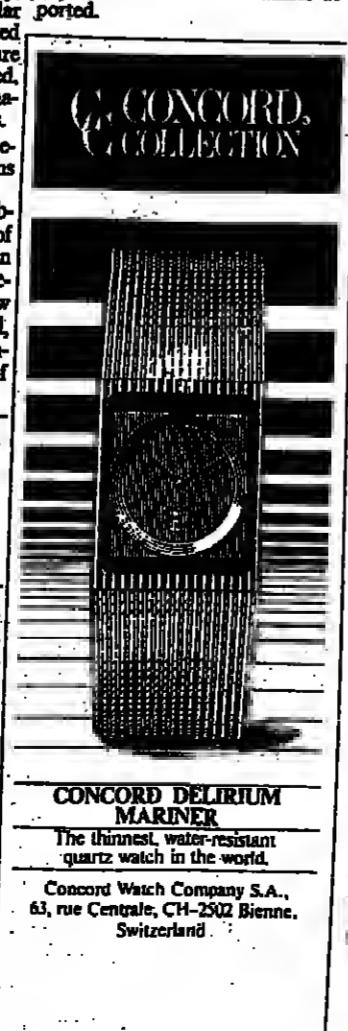
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Hong Kong Creditors Buy Revenge

Debtors Still Go to Prison — if Injured Party Pays

This is one article in an occasional series on major cities of the Third World.

By Clyde Haberman
New York Times Service

HONG KONG — Not many places still put people in prison for owing money, but then not many places take money as seriously as does this outpost of unbridled capitalism.

A long-overdue bill of as little as \$15 can in theory bring on a monolithic sentence: a \$150 debt can mean a year. Few people actually wind up behind bars on such terms for such trifling sums, if only because the creditor has to pay prison expenses. Nevertheless, Hong Kong residents are being sent to debtors' prison at a faster rate than ever, much to the alarm of some of their neighbors.

The numbers, though not overwhelming, rose from fewer than 100 a year in the late 1970s to 338

in 1982, and the authorities say the trend is continuing. It stems partly from the construction boom that saw houses and hotels go up like so many pieces on a Monopoly board: When the building industry slumped badly last year and prices for land and office space dropped, many people found themselves caught short.

In most cases resulting in prison terms, it was bankers who had been made unhappy and debtors who had resisted less persuasive collection methods. American Express International, a big contributor to the case load, has gone into Supreme Court for more than a dozen "orders of detention" this year, a recent study showed.

Creditors are said to take this action not so much to get their money back as to deter other would-be debtors. A few also seem to think that guaranteeing that others are not living well is the best revenge.

A spokesman, Alex Choi, said Tai Lam's debtors — nearly all are men — are kept separate from other inmates. They wear regular clothes, do not have to join work details and may spend the day reading or watching television. The average stay is 20 days.

Though this does not appear to be severely cruel, some consider such punishment obsolete.

"Why should a chap go to jail when he has no money?" said Peter C. Wong, a member of Hong Kong's Legislative Council. "Why can't it be like England or America or some other civilized place? It's one thing to attack the person's property and quite another to attack the person." Many people, Mr. Wong complained, are permanently stigmatized once they're in jail.

Mr. Wong has been urging changes for years, but the Legislative Council can do little and the British authorities are apparently not likely to act.

One reason may be lobbying from Hong Kong lawyers who inherit more business as more cases are generated. Besides, many businessmen are not eager to do away with an often effective procedure.

"When I was a young lawyer, I represented a man who owed \$5,000," Mr. Wong recalled. "I told his wife that unless she came up with the money by 5 o'clock they were going to put him in the Victoria Remand Center. Well, she came by with it at one minute to 5. I won't argue that it may be effective," he added. "But poverty should not be a crime."

Mr. Hu said that Indochina, where Moscow and Beijing are backing opposing claimants for power in Cambodia, was "obviously" the main obstacle in normalizing Chinese-Soviet relations.

In the interview with Yugoslavia given Friday before he started a 10-day Balkan tour, Mr. Hu said Beijing sought an improvement in its relations with Moscow. The Yugoslav press agency Tanjug quoted him as saying that Moscow had nonetheless been continuing "anti-Chinese actions."

The Chinese leader, who will visit Yugoslavia on Tuesday, said China was determined to "struggle against hegemonism regardless of where it comes or whether it is of a global or local character."

The word hegemonism is a Chinese codeword for Soviet international activity judged improper by Beijing. But it is an accusation that Mr. Hu has refrained from making publicly during his visit to Romania, apparently because of the delicate state of the Chinese-Soviet rapprochement talks.

Algeria-Mali Border Pact

The Associated Press

ALGIERS — Presidents Chadli Bendjedid of Algeria and Moussa Traore of Mali signed a convention Sunday fixing their countries' 800-mile (1,300-kilometer) desert border.



Shen Tu, left, director of China's aviation administration, greeted Deputy Foreign Minister Gong Ro Myong of South Korea at talks on the hijacking of a Chinese airliner.



Four of the six persons who commandeered a domestic Chinese airliner to South Korea. They seek asylum in Taiwan, but are expected to be tried in Seoul for air piracy.

Seoul Rejects Request by Beijing For Return of 6 Plane Hijackers

By Tracy Dahlby
Washington Post Service

TOKYO — South Korea agreed Sunday to return a hijacked Chinese airliner, its passengers and crew to China, but rejected a Chi-

inese demand to extradite the six hijackers to China. They are now likely to stand trial in South Korea on air piracy charges.

The decision, announced by South Korean authorities, followed weekend talks in Seoul on the fate

of the Civil Aviation Administration of China jet that landed Thursday in South Korea with 105 persons on board.

The hijacking, the first successful one involving a Chinese commercial jet, resulted in the first official contact between the two countries since the Communists came to power in China in 1949.

It presented both governments with a series of sticky diplomatic issues and left the two sides sharply divided over the handling of the six Chinese hijackers.

In talks between Deputy Foreign Minister Gong Ro Myong of South Korea and General Shen Tu, the Chinese aviation director, South Korea agreed to the early return of the passengers and crew members to China, along with the hijacked British-made Trident airliner.

South Korean officials, however, refused a Chinese demand for extradition of the hijackers on the ground that they should be tried under South Korean penal codes.

The hijackers have requested political asylum in Taiwan.

Two crew members who were wounded by pistol shots in a scuffle with the hijackers were to remain in a Seoul hospital until they are able to return to China. Three Japanese passengers have already returned to Japan.

The remaining passengers and crew members were expected to return to Beijing on Monday.

South Korea has no diplomatic ties with China and is the only Asian country that recognizes the government on Taiwan as the legitimate government of China.

In seeking extradition of the hijackers, General Shen Tu pressed the South Koreans to abide by international agreements on air piracy and return the hijackers to China for punishment.

Should the hijackers be found guilty in South Korea, observers suggested, they might then be expelled, a legal twist that would, presumably, allow Taiwan to grant them political asylum.

A decision to allow the hijackers to go freely to Taiwan would anger the Chinese and complicate South Korean efforts to improve relations with Beijing.

John Masters, 68, Dies; Wrote Novels About British Empire in India

Compiled by Our Staff From Dispatches

NEW YORK — John Masters, 68, whose tales of British Empire on the Indian subcontinent included "Bhowani Junction," "Nightrunners of Bengal" and "Coromandel," died Friday in Albuquerque, New Mexico, of complications after a heart-bypass operation. He lived in Santa Fe, New Mexico.

Mr. Masters was born in Calcutta, and was a graduate of the Royal Military College at Sandhurst. He served in the British Army in India and, during World War II, in Burma, Iran and Iraq. He rose to the rank of brigadier at the age of 33. He served for a brief time in the Indian Army after Indian independence in 1947, before returning to England to teach at Sandhurst.

He came to the United States after World War II and became an American citizen in 1954.

In his novels, Mr. Masters made use of his intimate knowledge of India. "Nightrunners of Bengal" was based on the Indian Mutiny of 1857. In "Bhowani Junction," which was made into a film, he wrote about the period just before the Indian Emancipation in 1947. His novels also included a series of adventure stories about the fortunes of one family, spanning Anglo-Indian relations from 1600 to the mid-1940s.

He wrote three autobiographical novels: "Bagges and a Tiger," about his early life and service with a Gurkha regiment on India's Northwest Frontier; "The Road Past Mandalay" and "Pilgrim Son."

His daughter said there will be one posthumous novel, still untitled, the manuscript of which his wife is typing.

Mr. Masters once noted that although his work was fiction, "I think my writing is also a work of history, because I have tried to give a feel of the times and a sense of historical perspective."

He was the fifth generation of his family to serve his country in India and grew up amid the echoes of the world Rudyard Kipling had immortalized.

Kai Winding

NEW YORK (NYT) — Kai Winding, 60, the jazz trombonist, died Friday after a coronary attack in St. John's Riverside Hospital in Yonkers. Mr. Winding, who had been hospitalized for the treatment of a brain tumor, had lived in Spain for the last several years.

Mr. Winding was born in Aarhus, Denmark, and came to New York with his family when he was 12.

He was one of the first stars of

the jazz band.

John Williams, 80, who played the inspector in the film "Dial M for Murder" with Grace Kelly in 1954 and the chauffeur in "Sabrina" with Audrey Hepburn the same year, Thursday in La Jolla, California.

E. Ross Adair, 75, an Indiana congressman from 1950 to 1971, who was then appointed ambassador to Ethiopia by President Richard M. Nixon, Saturday after multiple heart-bypass surgery at Lutheran Hospital, Fort Wayne, Indiana.

Estelle Edith Lawson Page, 76, the 1937 national women's amateur golf champion and a leading U.S. golfer for more than 20 years, Saturday at Hillhaven Convalescent Home in Chapel Hill, North Carolina, after a lengthy illness.

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Red Cross Pressed to Defend Role as Impartial Observer

By Iain Gutter
International Herald Tribune

GENEVA — The International Committee of the Red Cross finds itself having to reassess its principles of discretion and neutrality because of disclosures stemming from the Gulf war and the Salvadoran civil war.

The problem involves Iranian government revelations about Red Cross visits to Iraqi-held prisoners of war, which were supposed to be kept confidential, and the publication last year of a book by a former Red Cross worker, Dres. Balmer, based on his experiences in El Salvador.

The Red Cross's reaction to the book was swift and determined.

Saying Mr. Balmer had broken the pledge of confidentiality that all its delegates sign, the agency obtained a series of legal injunctions against the writer and his editor in Zurich. All copies of the book were withdrawn, and Mr. Balmer faces a

fine of up to 5,000 Swiss francs (\$2,500), or a jail sentence, if he promotes the book.

Documents leaked by Iran say several prisoners were maltreated and that some disappeared from Iraqi camps that were supposed to be under Red Cross protection.

Red Cross officials display few outward signs of unease over these disclosures. Yet several agree that both go to the heart of the way the Red Cross has operated since it was established in 1863 by Henri Dunant, a young Swiss businessman.

"They are both trying to force us to take a position, abandon our neutrality," an official said.

Another said the two events had underlined a key problem: How much provocation and perhaps manipulation can the agency accept before it reacts publicly?

The organization has made public protests on only a handful of occasions: over the persistent use of poison gas by Egyptian forces in



The Associated Press

V.K. Boldirev, Soviet ambassador to Iran, center, escorted a group of expelled Soviet envoys through Tehran's airport on Saturday as they prepared to leave for Moscow.

Expelled Soviet Envoys Flown From Tehran

Reuters

TEHRAN — Fifteen of the 18 Soviet diplomats ordered to leave Iran were flown out of Tehran as militants on the airport apron chanted "Death to the Soviets!"

They left Saturday, following the three other diplomats who had left Friday by train, Iranian officials said.

The Iranian government issued the expulsion order Wednesday and also dissolved the pro-Soviet communist Tudeh Party, charging that members had spied for Moscow.

The government said the diplomats had been interfering in Iran's internal affairs. The Soviet Union denied the charge in a protest to Iran.

Saturday's flight from Tehran was delayed for more than four hours by what informed sources said was an argument over how much baggage the diplomats would be allowed to take.

When they finally reached the steps of their Aeroflot plane, they started to sing a patriotic song. But their singing was quickly drowned out by chants from a crowd of airline workers, Revolutionary Guards and airport police.

V.K. Boldirev, the Soviet ambassador, stood in the middle of the crowd, waving to the diplomats in the plane and clasping his hands above his head.

The expulsions and the dissolution of the Tudeh Party followed televised confessions by eight party leaders who had been in prison since February.

Newspaper reports said Tudeh

members had been arrested in the provincial cities of Bushire, Isfahan and Tabriz. The commander of the paramilitary Revolutionary Guards was quoted as saying operations against the party would continue.

Recovery of Property Claimed

Iran has succeeded in recovering millions of dollars in property from members of the family of the former Shah, Deputy Prime Minister Manucher Mohammadi said Sunday. Reuters reported Sunday from London, quoting the Iranian National News Agency.

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Bush Defends Reagan's Record To Black Masons

Washington Post Service

CINCINNATI — After speaking to a national convention of black Grand Master Masons, Vice President George Bush said that he did not see any evidence that the Reagan administration or the Republican Party could capture part of the growing black vote for the 1984 election.

Mr. Bush's remark came after he gave a speech Friday that was partly a defense of the administration, partly an apology for its policies and partly indignation over what he said was the portrayal of Mr. Reagan and his administration as unfair and uncaring about groups — particularly blacks — who have been hurt by budget cuts.

"He cares, he hurts, he's a human being," Mr. Bush said of the president.

Later, at a news conference, Mr. Bush said that it had pained him to have to defend the president's humanity. But he added that it was necessary because of the political problem the administration has with black voters.

"Well, I'll be honest with you," Mr. Bush said. "I don't see any evidence of black support, but we're going to keep working and we're going to keep getting the objective message out there."

\$90-Billion Loss Claimed by Iran In 2 Years of War

The Associated Press

NICOSIA — The public sector of Iran's economy received damages of \$90 billion in the first two years of the war with Iraq, according to the official Iranian National News Agency.

The agency said Saturday that the estimate, for the period ending Sept. 27, 1982, was prepared by the planning and budget organization of Iran in calculating war reparations being sought from Iraq. Private sector losses were not included.

Payment of war reparations is one of Iran's main terms for ending the Gulf war, now in its 33rd month. A list carried by the news agency showed the oil sector as being hit the hardest, with \$33.5 billion in damages, followed by agriculture, with \$21.5 billion.

Before the war, Iran produced 6 million barrels of crude oil daily, but production dipped to 600,000 barrels per day at times. Production has since risen to 3.4 million barrels.

In addition, the Salvadoran guerrillas have been handing prisoners over to the Red Cross for release since last August.

WORLDWIDE ENTERTAINMENT



Le Lido Champs-Elysées 363 ff. R. Agence

Italian Whims

Regarding "Craxi Urges a Breakup of Coalition" (IHT, April 23-24):

As a person who has the highest regard for things Italian, I find it incomprehensible that such a talented people should tolerate a constitution that allows its government to be toppled within a few months of their inception, at the whim of some self-important party leader.

No sooner is a summary of the achievements of the Fanfani government published, than Signor Craxi, leader of the Socialists, is "urging a breakup of the coalition," resulting in the fall of the 43rd governing coalition since the end of it.

It is not time that this aspect of the Italian Constitution, which reduces a great nation to a laughing stock, were put to a national referendum, advocating a minimal period for one government, thus enabling it to pass legislation undisturbed by party squabbling?

Soviet Horrors

Regarding "Questions and Answers About Soviet Behavior" (IHT, April 21):

George F. Will is to be congratulated for finally putting in black and white the chilling catalog of Soviet horrors since 1973.

He has even left out a few, like the increased persecution of Soviet Jews and other religious minorities and the practice of putting dissidents in mental hospitals. And the fact that the guiding force behind these abuses is now the leader of the country.

People in the peace movement's reading Mr. Will's article will now better understand why their movement has recently been attacked by the Soviet Union. The Kremlin wants Western citizens to be exactly like its own citizens — cowed into obedient silence.

JOHN ECKENROD, Hamburg

Send the Boys Home

I believe it is contrary to American and European interests for

the United States to keep its troops and weapons on European soil. Keeping them here only promotes a lot of anti-Americanism that would evaporate in great part if we took them home.

Europe's and America's interests are opposed in many respects — certainly in many commercial aspects as well as in defense. Europe has the population and financial resources — it once had the technological resources — to build up an adequate defense, had it decided to do so. I can see reasons for keeping U.S. naval bases in the Mediterranean and North Atlantic, but not for ground and air troops in West Germany and elsewhere.

We Americans could use the money saved to arm ships for our own defense. The notion that Europe is America's first line of defense is not a popular one in Europe. I ignore the question of whether the United States would risk an all-out war to defend Berlin (although Henry Kissinger publicly said we would not); I have met many Americans and British servicemen in Berlin who say they had never heard of the place until on the verge of being sent here.

I believe that keeping our troops here diverts us from our true interests. These lie in the Pacific, which holds much of the world's oil, advanced technology, and vast potential markets. Why are American administrations so adamant to do something that costs us so much in public enemies and friendly foreign opinion? Do not our leaders realize — and realize that Moscow realizes — how difficult it would be for the Soviet Union to swallow up Western Europe?

I think Americans fail to realize the degree of spiritual exhaustion that underlies much of the European resentment, particularly among the young, aimed at the United States. There is a spiritual vacuum that is tolerable when things are going well; but not when they are going badly. There is, in Europe, a lag in technology, a lowering of productivity rates and an inability to shift the industrial base. How is our presence here going to help?

Let's get out of Berlin and Europe on the fastest schedule compatible with the mutual needs of Europe and the United States. If the 20th-century spiritual heri-

tage of Europe leaves its peoples (with a few exceptions) bereft of a proper sense of their place in time and geography and promotes attempts to escape history, our sending weapons won't help.

The Green party may be offering remedies that most regard as unpalatable and useless, but their analysis of the situation seems correct. It is more than just materialism, a failure of nerve, a despondency; it is all these, and escapism will hardly work a cure. But we would do well to sit it out, and tend to remedying some of the same ills at home.

CHARLES-JAMES N. BAILEY, Berlin

Not Without Hope

Regarding "A Generation Without Hope: Anger of Young Europeans Grows Over Job Crisis" (IHT, April 20):

I've heard this disturbing complaint that there's no hope. I've seen these young Europeans sitting in the neon-lit cafes, listening to songs about "No Future." I've heard it. I'm part of this generation, though an American.

Europeans are not the only ones who study for jobs that don't exist. Americans do it too. Education never had the authority to promise employment, or anything else. At best, it can provide a foundation to help students prepare for the future.

Those persons who blame their country's economic troubles on foreign workers and who consider such things as "national purity" are guilty of prejudice and narrow thinking. Throwing out the "guest workers" would not create new jobs but offer only a temporary and rather hostile solution. When Europe opened its doors to the Third World nations, it opened the door of hope to thousands of desperate people. It's the Third World nations that need rescuing, and it's a bad job.

Offshoring "the White House and Wall Street" is merely a weak effort to blame something. I don't blame America's problems on European institutions.

Is it not possible that the Com-

mon Market has no answers for this generation? Is it not our responsibility to create our own place

in the world, our own answers? The times were never better for a possibility to change. What's truly reckless, then, is the belief that there is no future.

BEN FRIEDMAN, Berlin

Garfield and Co.

You have to be kidding! Dropping "B.C." and substituting "Garfield"? You have hit a nadir in editorial judgment.

TERRENCE M. ROE, Milan

Three cheers for Garfield! It's great that America's favorite feline

I GOTTA GET OFF THIS DIET



is getting a new name.

JOHN LEVEE, Paris

Less Than Erudite

Regarding "Licensing Tests Hurt Black Teachers" (IHT, April 27):

According to this article, competency tests in the use of the English language are relegating a cumbersome number of Americans back to elementary reading and writing classes. What strikes me as being the sad confirmation of this poor state of affairs is that the somewhat less-than-erudite commissioner of education in the state of Florida, Ralph Turlington, cannot speak basic English correctly:

"We don't want anyone in the classroom who can't handle the very thing they're trying to train children to do."

JOHN LEVEE, Paris

More in Sorrow

Regarding "The Rich Americans" (Letters, April 25):

Shame on those little English girls for pulling Amy Whorl's leg.

Europeans "deeply rooted in socialist ideology" (as she says) are very far from envying Americans when they read that the "tribute" to the "hard work and enterprising spirit" in America is the privilege of lining up at a soup kitchen or living in cars, and where a worker can be fired from a job of 15 years' duration on 10 minutes' notice.

We don't envy you, Amy Whorl, we feel sorry for you.

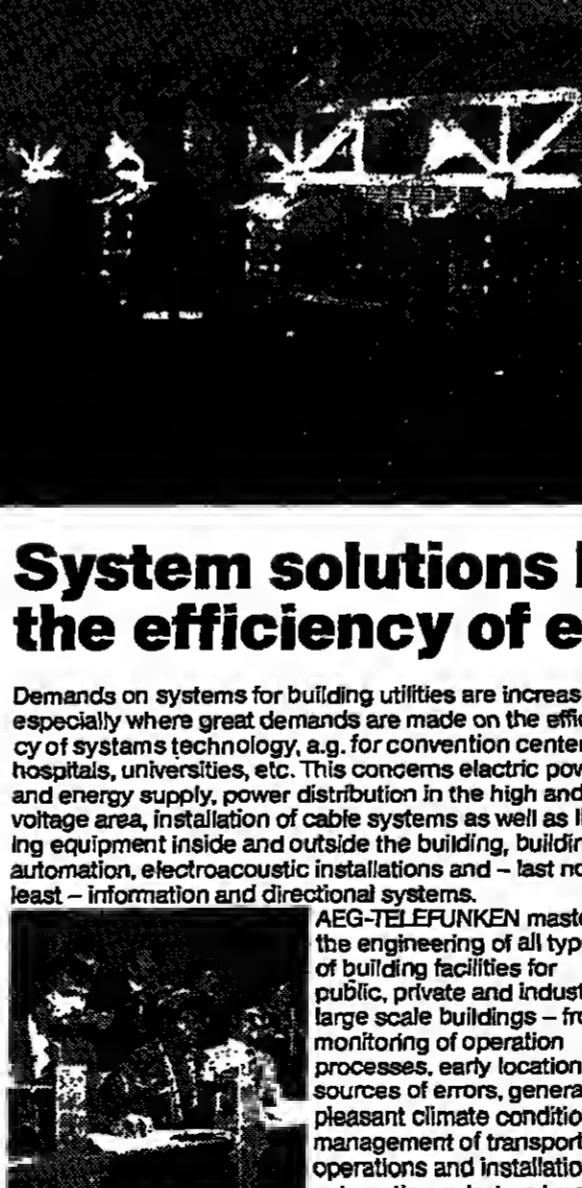
T. ROBERGE, Paris

Thanks, Singapore

Singapore is an outstanding city in this world of busy people. Its citizens take the time to direct strangers, and spoil us with kindness. My expensive camera, including a roll of photos, was left at a restaurant and was returned to the "lost and found." You can't top that in most cities of the world.

ROBERT R. CRAFT, San Francisco

The greater demands you make on the infrastructure of a large building complex the sooner you should approach us.



System solutions by AEG even increase the efficiency of efficient buildings.

Demands on systems for building utilities are increasing, especially where great demands are made on the efficiency of systems technology, e.g. for convention centers, hospitals, universities, etc. This concerns electric power and energy supply, power distribution in the high and low voltage area, installation of cable systems as well as lighting equipment inside and outside the building, building automation, electroacoustic installations and — last not least — information and directional systems.

AEG-TELEFUNKEN master the engineering of all types of building facilities for public, private and industrial large scale buildings — from monitoring of operation processes, early location of sources of errors, generating pleasant climate conditions, management of transport operations and installations, automatic control and moni-

toring by integrated security systems up to controlling and monitoring of all operation processes and total energy management.

AEG-TELEFUNKEN has substantially influenced the development of technical systems and technological processes in all phases. Thus, their customers have benefited from proven solutions for the future on the basis of experience. Solutions that are economical as well as efficient. Infrastructures for super buildings are just one example of the efficiency and the innovative power of AEG-TELEFUNKEN. Others include development and realization of integrated systems solutions in industrial processes, material handling, equipment for foundry and steel works, mining operations and rolling mills, electrical equipment for ships and off-shore systems as well as space technology, solar technology and systems for military technology. We gladly inform you in detail on the many potentialities and decisive advantages of a cooperation with AEG-TELEFUNKEN. Please, just write to us.

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I am interested in receiving further information on system solutions from AEG-TELEFUNKEN.

Name: _____

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

A Success, Maybe

Secretary of State George Shultz has brought the Reagan administration its biggest diplomatic success — maybe. As a result of his debut on the Middle East shuttle, Lebanon has accepted without condition and Israel has accepted "in principle" the terms, still secret on which Israel is to withdraw its troops from Lebanon. The "additional clarifications" Israel seeks "will not pose any real problems," Mr. Shultz says.

Both the Lebanese and Israeli governments deserve respect for moving toward agreement. Lebanon had to maneuver between Israel's difficult demands and the knowledge that excessive compromise on either security or political arrangements would leave it fatally vulnerable to both internal strife and external Arab pressures.

The Israeli government needed to balance the temptation to consolidate on its own a long-term position in southern Lebanon and the risk of an agreement with a government so frail it might not be able to enforce the agreement. That Secretary Shultz could bring the two to the verge of a signing had to take formidably bargaining prowess.

From Israel, Mr. Shultz flew to Jordan. In saying earlier that he would not join the peace talks with Israel sought by the Reagan administration, King Hussein had cited, as befit the American failure to move Israel out of Lebanon. It is fair to ask just what part of Israel's movement in Lebanon springs from

American prodding and what part comes from its own determination to make the most of a rare negotiating opportunity. But whatever the answer, the obvious hope now is that progress toward a Lebanon agreement will lead the king to review the bidding. Mr. Shultz left Amman saying the king regards the new development as a "significant step."

In Damascus, his mission was to persuade a belligerent Syria to accept the agreement between Lebanon and Israel, and to remove from Lebanon its 30,000 troops and the PLO forces it also controls. It is accepted all around that Israel's and Syria's withdrawals depend on one another. The question is whether Syria, its defenses restored by Moscow, will raise the ante and demand not merely Israeli withdrawal from Lebanon on Syrian terms, but American commitments on the Palestinian question and on eventual Israeli withdrawal from the Golan Heights as well.

Secretary Shultz made the case for putting Lebanon first. To no one's surprise, President Assad showed he will not come around easily. Mr. Shultz's strong card remains Syria's awareness that only U.S. influence on Israel can bring Damascus its goals. He will need all the help he can get from the Arab moderates, uncertain as they are. In this stage at least, Israel, unless it makes a major case out of those "clarifications," is home free, if there is a breakdown, the blame will be Syria's.

— THE WASHINGTON POST.

A 'Reagan Doctrine'?

President Ronald Reagan's admiration for the "freedom fighters" currently attacking the Sandinists led him the other day to state a "Reagan doctrine" that is sure to baffle him if he allows it to stand. Like the "Brezhnev doctrine," to which it bears an unfortunate family resemblance, it justifies a great power's decision to violate the sovereignty of other states.

Mr. Reagan got into the subject by observing that "there is a kind of bias in the treatment of guerrilla fighters. It depends on what kind of a government they are opposing." It sounded as though he were about to lay down a common standard by which all guerrillas should be judged.

Immediately, however, he drew a distinction between the "guerrillas" who, he said, are fighting the elected government of El Salvador not to bring freedom but to restrain freedom, and the "freedom fighters" in Nicaragua. What people refer to as "the government of Nicaragua," he said, came "out of the barrel of a gun. ... Other than being in control of the capital, you might say, and having a handle on all the levers, what makes them any

more a legitimate government than the people of Nicaragua who are asking for a chance to vote for the kind of government they want?"

Is Mr. Reagan asserting a right to encourage the overthrow of governments that take power by force and deny the vote? Few governments in the world would survive both tests. On the left, no sitting government led by a Marxist-Leninist party came to power by means other than revolution or coup, and none offers authentic elections. Is Mr. Reagan going to support Soviet and Chinese "freedom fighters"?

Think of the many governments of the right that took and held power by force alone. Is the president going to arm guerrillas against the regimes in Chile and Argentina?

The "Reagan doctrine" shows that there is no good way to rationalize the undermining of governments with which one is not formally at war. Any effort to raise such a standard leads to logical absurdities and invites ambitious governments of other persuasions to develop their own lame and arbitrary excuses to play dirty.

— THE WASHINGTON POST.

Other Opinion

Soviet Subs and Sweden

The Soviet Union may be paying a very high price for whatever strategic and tactical advantages it is gaining through its submarine operations in Scandianvian waters.

The peace movement here runs the risk of losing its credibility among the general public. The clamor for more funds for arms can now be heard from ordinary people.

Last October, the Swedish Parliamentary Commission released a report on Soviet submarine intrusions. "The Soviet submarine operations represent the preliminary stages of a military operative planning," the commission said. While the actions may not be part of a planned war against Sweden, they seemed designed to fight other enemies, said the commission president, Sven Andersson, a former Social Democratic foreign minister.

It is a distinction without a difference. If the Russians intend to use Swedish territory in a larger war against the United States, so much the worse for Sweden. What is clear is that the Russians are trying out new equipment and new tactics in Scandianvian waters.

The waters in and around the thousands of Swedish islets provide excellent training ground for the Russian crews. Soviet waters, by contrast, are sandy and of limited value as a training ground for a big-power conflict.

The immediate reason for the increase in violations of Swedish territory is the need to test new equipment under wartime conditions. The Swedish parliamentary commission pointed out that the Soviet activities cannot be regarded as simply traditional maneuvers. Such activities imply preparation for war.

The initial Swedish response is the recognition that more money will have to be given to the navy to defend against submarines. Not even the Swedish Communist Party is protesting this response. A second response — which brings us dangerously close to war — is that Sweden's defense forces are determined to bomb to kill the next foreign submarine sighted. The Norwegians have declared that they will do the same.

The Swedish government, in its note of pro-

test to Yuri V. Andropov, the Soviet leader, was careful to make a distinction between the military and the political leadership of the Soviet Union, hinting that the military may be acting without prior approval.

— Birger Väistö, a Swedish journalist, in *The Los Angeles Times*.

What are these phantom vessels up to? Some members of the Swedish parliamentary commission believe that the craft were perhaps part of a new Soviet strategy: the preparation of a wartime occupation of a portion of Scandinavia. The question has also been asked in Stockholm whether these repeated maneuvers and the triumph with which they are undertaken are not intended to intimidate the Swedes.

The incidents of recent months must at least instill a sense of prudence in those who dream of a Northern Europe free of the bad winds of superpower rivalry. The reality is these 45 Soviet submarines, it is having as a neighbor a great power whose "friendship" can be overwhelming, and which has trouble making the distinction between a "sea of peace" and a "Soviet lake."

— Le Monde (Paris).

Andropov's Proposal

Andropov's latest proposal must be considered with caution. The fact that Moscow is now willing to count in terms of warheads instead of missiles is a step in the right direction — but only in terms of the negotiating process. The Soviet insistence that French and British nuclear weapons also be considered in the counting is a demand the West cannot accept, a demand that contradicts the principal of French and British nuclear autonomy.

It also would set a precedent under which the Soviet Union would want to be able to counterbalance virtually all missiles pointed in its direction, meaning Chinese missiles and, eventually, perhaps even Pakistani missiles. That would leave the Soviet Union as the strongest nuclear power — as strong, indeed, as all the others combined.

— The Frankfurter Allgemeine (Frankfurt).

FROM OUR MAY 9 PAGES, 75 AND 50 YEARS AGO

1908: Roosevelt Opposes Tariff

WASHINGTON — When President Theodore Roosevelt spoke to Mr. Cannon, the speaker of the House, in favor of complying with the demands of the newspaper publishers who want the tariff taken off wood pulp and paper, the speaker is said to have replied: "Why pass the bill simply because the newspaper publishers want it? The country will declare that we have discriminated in favor of the newspapers, and we'll receive the righteous 'swat' of the voters because we've done something for them and not for the rest of the people." In the hearing before the House committee yesterday, the publisher of the Post Standard said that he did not think the removal of the tariff would have any appreciable effect.

1933: Gandhi Out of Prison

BOMBAY — As was anticipated, Mahatma Gandhi was released from Yeravda Prison today, as he began at noon his intended 21-day fast. His release was unconditional, the authorities being convinced that his starvation campaign is purely nonpolitical, being directed only against "untouchability" and with no intention whatever of obtaining his freedom. In a statement that he issued as his fast began, Gandhi declared that he intended to rid himself of all bitterness, to purify himself and make it clear to all that the movement against untouchability was "wholly moral." "If I did not undergo this ordeal," he said, "I would probably be useless for further service for my countrymen."

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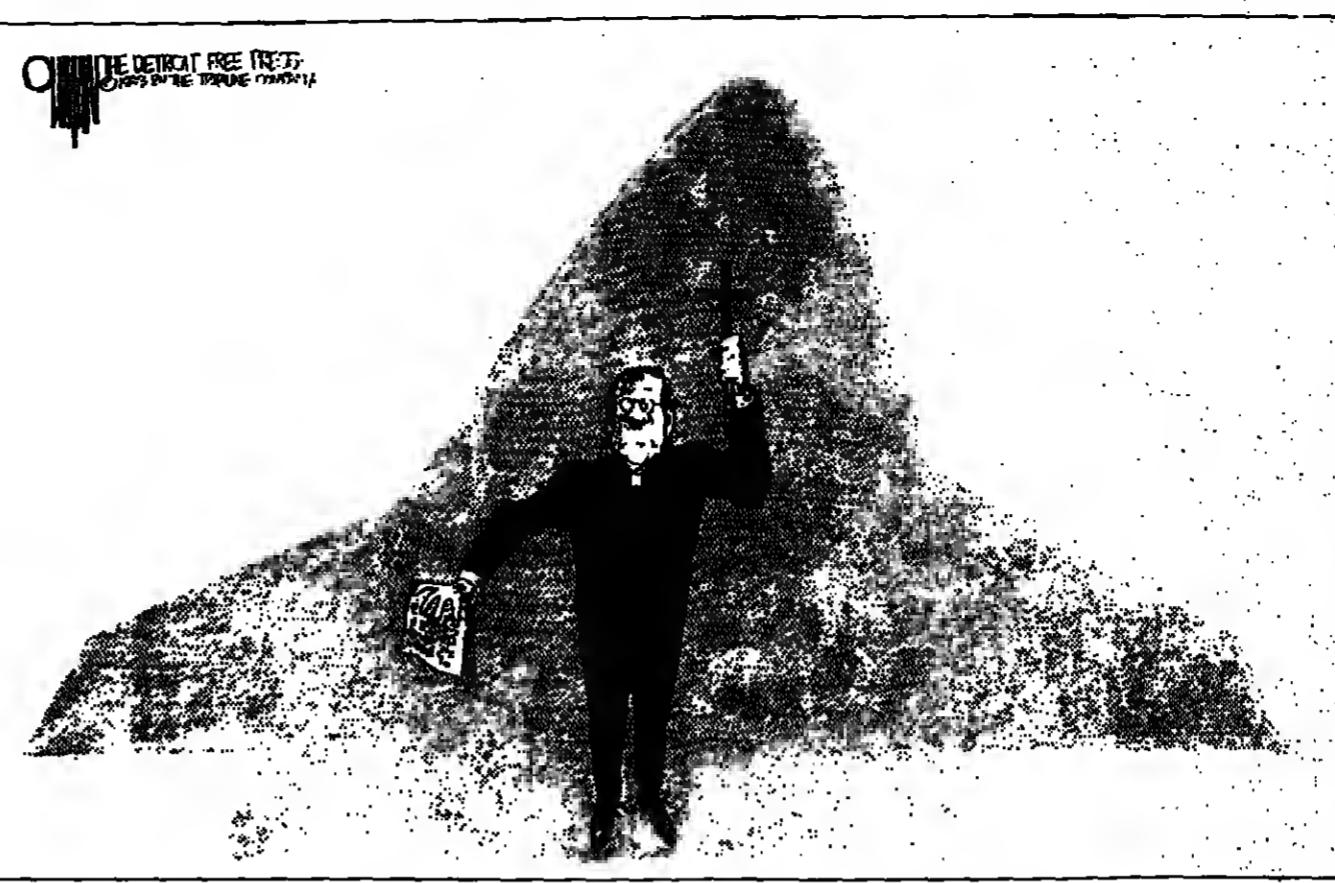
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A Perilous Climb to the Williamsburg Summit

By Flora Lewis

PARIS — The climb to the Williamsburg seven-nation summit meeting at the end of May is going so badly that some last-minute emergency efforts are needed to avert disaster.

The underlying problem is that, despite lip service to the idea that the world economy has become too intertwined for uncoordinated national policies to restore growth, leaders still will not accept joint responsibility. This failure is reflected in a whole series of specific disputes.

The major industrial nations cannot even agree on what they should talk about and how to get ready for their eighth annual encounter. They have already begun to blame press coverage as the reason these economic summit conferences cannot achieve their purpose of cooperative policies.

That is beating the messenger not only for bringing bad news, but creating the bad news and giving it to him in the first place. President Mitterrand's March decision on devaluation and maintenance of European Community monetary accords is still simmering. Another crisis could put the EC into serious question and launch a heavy new wave of protectionism. This would have ripple effects around the world and could also dampen the U.S. economic recovery.

Now that it has come off a reckless upstream course, it is reasonable for the French government to hope for some U.S. cooperation in avoiding another run on the franc. Britain,

debt are closely linked. He's called a meeting of the summit nations' trade and finance ministers together in Paris to head off a clash at Williamsburg. The French refuse to take part on the flimsy grounds that this violates the idea of an informal, un-negotiated gathering.

The problem, though, isn't that Mr. Regan is preparing too much but little. If he would include currency exchange levels and the U.S. interest rates that distort them, the French would be keenly interested.

But the Reagan administration stoutly maintains that those matters are nobody's business but its own and the market's.

France is in serious difficulty, mostly because of the Mitterrand government's original unwise economic policy and the pretense of what Christian Goux, chairman of the National Assembly's Finance Committee, calls "economic and financial independence." Paris had to impose a series of painful austerity measures six weeks ago to stanch the hemorrhaging franc.

That is beating the messenger not only for bringing bad news, but creating the bad news and giving it to him in the first place. The French refuse to take part on the flimsy grounds that this violates the idea of an informal, un-negotiated gathering.

The source of its woes lies in its history and its politics. Often conquered and rarely been governed by its wiles, relying on cunning and courage and the power they can amass as individuals or families. The Mafia, for which the island is notorious, is just the most organized of crypto-governments in a culture where no government has attained legitimacy long enough to allow for sustained economic growth.

The inclination of an American visitor is to say a smug thank-you that history and geography have

West Germany and Japan are not quite as insistent on U.S. intervention in currency markets as France, but they agree there should be more joint effort to prevent nasty surprises.

All of them have been complaining for several years about the harmful effects of U.S. interest rates and the budget deficits that provoke them. But Washington tells them to wait for Reaganomics to work and meanwhile cut down on exports to the Soviet bloc.

There was a rough argument within the dominant French Socialist Party before Mr. Mitterrand's March decision on devaluation and maintenance of European Community monetary accords. It is still simmering. Another crisis could put the EC into serious question and launch a heavy new wave of protectionism. This would have ripple effects around the world and could also dampen the U.S. economic recovery.

Now that it has come off a reckless upstream course, it is reasonable for the French government to hope for some U.S. cooperation in avoiding another run on the franc. Britain,

— The New York Times.

The Self-Sicilization of the U.S.

By David S. Broder

WASHINGTON — Ten days in Sicily without an English-language newspaper is a great tonic, but the re-entry problem for the jaded journalist is a serious one. The shift from the orange groves of Agrigento and the fresh octopus in seaside Syracuse to the grilled cheese sandwich and desultory budget debate in the Senate takes more than 24 hours of travel involved.

Even after a few days back, it is hard to shake the memories of Greek temples overlooking the Mediterranean, and Norman churches filled with rich Byzantine mosaics. And in the jet-lag hours of early-morning musings, it is hard not to ask what message there may be for the United States in the experience of an island that has known every form of rule from republic to tyranny, under men from three continents, a dozen nations and countless faiths, in its 2,500 years of recorded history.

Self-evidently, the lesson is that natural riches, favorable siting, enter-

spared the United States from being such a perpetual battlefield.

But a few days back in Washington serve as a humbling reminder that we are by no means immune from the tendency to "self-Sicilization" that can erupt whenever civil government is systematically discredited and distrusted.

What are the symptoms of self-Sicilization? One is governmental instability, Italy, which loosely administers Sicily, is on its 43rd government since World War II. The United States has its sixth president in 20 years, a turnover rate unprecedented in the country's history.

In a nation undergoing self-Sicilization, public investment is diverted from solid projects promising long-term economic benefits into showy structures aimed at impressing or intimidating outsiders. In a poverty-stricken Sicily, a vast, modernistic theater stands unfinished and unused, an elaborate shell game. And in Washington, serious people debate a vastly more expensive shell game — a plan to put mobile missiles somewhere where they may (or may not) be well-protected they will scare the Russians.

In a Sicilian-style government, budgets are a sham and taxes are meant to be avoided. But taxes are a necessary payment for services only government can provide. And the U.S. government now is bent on reducing taxes, in the face of massive deficits, and refuses to contemplate the consequences.

Endemic distrust of government — civic cynicism — has blinded Sicily's hopes for centuries past. The same disease, encouraged by America's own rulers, can just as easily blind U.S. hopes for years to come.

The Washington Post.

The Washington Post.

Technology Restraints: Who Suffers?

By James V. Siena

WASHINGTON — The Reagan administration has sounded an alarm, louder than any before, over the shrinking of the technological lead the United States once enjoyed in its military competition with the Soviet Union and the contribution American technology has made to those Russian gains.

Last year a distinguished panel of the National Academy of Sciences, in a report entitled "Scientific Communication and National Security," recognized that the Soviet military has benefited from the acquisition of Western technology, but concluded that "universities and open scientific communication have been the source of very little of this technology transfer problem." This finding was not speculative. Several members of the panel who were government consultants with high security clearances were given an "all sources" briefing on the subject, which means that the whole intelligence community produced all that it had.

But this finding does not reassure everyone. The stakes, after all, are life and death. Why chance armament our enemies?

The academy panel anticipated this reaction, noting that "current proponents of stricter controls advocate a strategy of security through secrecy." The panel gave as its modest view that "security by accomplishment may have more to offer as a general national strategy."

Indeed, "security by accomplishment," which assumes that the Russians eventually may use U.S.-developed information and technology — whether in sophisticated areas of physics or basic research in electronics, computers and crop projections — to harm the United States.

The premise behind efforts to limit basic scientific exchanges is that the Russians eventually may use U.S.-developed information and technology — whether in sophisticated areas of physics or basic research in electronics, computers and crop projections — to harm the United States.

The premise observes no distinction between the idea of science that may eventually find its way into the technology of war and technology and technological processes with ready military application. But that distinction is critical. There is no doubt that the United States is placed in jeopardy when the Russians come into possession of U.S. military technology, particularly

orthodox style scientific growth. (In areas such as advanced mathematics, where on political applications are foreseen, Russians are eminent.)

Science is, now more than ever, an enterprise. To be sure, the lone genius still surprises us by taking leaps beyond what others think or know. But most of our gains and growth come from the attention devoted to a problem by many minds, some more able than others, but none as able as the collective whole. As you reduce the number of minds allowed access to a strain of thought, you slow the progress of its growth.

The Washington Post.

Letter: The Pershing-2 Threat

MONDAY, MAY 9, 1983

Page 7

EUROBONDS

By BOB HAGERTY

Market Begins to Cool Euphoria For New Bonds Carrying Warrants

LONDON — The fever for equity-linked bonds is cooling off, but it has not run its course yet.

As gimmicks for peddling bonds go, this one has proved a marvel. Early last week, Eurobonds dangling warrants to purchase equity were fetching premiums of 30 to 50 percent. Late in the week, however, reality was setting in with a vengeance. Premiums came crashing down 10 to 20 points.

"The euphoria has come out," observed Dante Monalbetti, chief Eurobond trader for Merrill Lynch International. Karl Miesel, director of new issues at Deutsche Bank, agreed: "People are becoming increasingly selective." Some of the recent premiums, he said, were pure "fantasy."

Some dealers said investors who want a piece of the worldwide surge in equities would be better off heading straight for the stock markets.

Nonetheless, dealers generally expect more equity-linked issues to turn up this week. A top-quality borrower still can save a bundle on interest costs by tossing in an equity element, these dealers believe.

"The concept is still very much there," said P. Joan Beck, head of the new issues department at Morgan Stanley International.

Last week, for instance, Swiss Bank Corp. got away with a 6½ percent coupon on \$100 million of 10-year bonds priced at par and carrying warrants to buy shares.

Late Friday, the bonds were quoted at about 108.

Less popular was the \$100-million issue from Imperial Chemical Industries. That issue gives investors the option to convert dollar bonds into sterling paper. It also gives them the opportunity of buying ICI shares. Some dealers thought the issuers ought to have thrown in a bottle of aspirin as well, for people trying to figure out what the paper was worth.

The bonds are convertible into sterling through almost all of their seven-year life at a fixed rate of \$1.5775 to the pound — enticing for those who think the pound will keep rising.

ICI tacked on the equity element at the last minute to cash in on the craze. This option lets holders buy shares at \$40 per cent, which looked remote as the week wore on and ICI shares slipped to a Friday closing of 445 pence.

"Pure opportunity," said one dealer. Still, he allowed, the ICI issue, "looked good on the tele."

It looked good for ICI too. The company got its money at 9½ percent, nearly a point below that it could have commanded with a straight issue.

The bonds, relieved of their warrants, were selling late Friday for about 98½.

Little Interest in Currency Swaps

Such currency-swap issues are not likely to be the next fad, according to at least one banker involved in the offer. They are too complicated for the private investor, he said, and institutional investors have better options for hedging currency risks.

Ontario Hydro, by contrast, served up just what the market was craving: a Triple-A-rated issue from something other than a bank. The Canadian utility's seven-year, 10½-percent issue was so popular that it was increased to \$250 million from \$200 million.

Manufacturers' Hanover got no such welcome for its \$150 million of 10½-percent bonds. For one thing, it was adding to the glut of bank issues. For another, the market did not like the idea of equal pricing for

(Continued on Page 9, Col. 1)

Chrysler Asks New U.S. Pact

By Robert D. Hirschey Jr.

New York Times Service

WASHINGTON — The U.S. government could make more than \$220 million on Chrysler's stock, but the automaker wants to cancel the agreement, according to Chrysler and government sources.

When the government agreed in 1980 to guarantee repayment of loans for Chrysler so that the company could survive, it took in return warrants that gave it the right to buy 14.4 million shares of Chrysler stock directly from the company at \$13 a share. That stock was selling at less than \$3 then, but it closed on Friday at \$28.50, more than double the value of the warrants.

Federal officials, at a meeting on Monday, are expected to consider a request from Chrysler to return at least some of the warrants. Chrysler also wants to cut in half the annual 1-percent fee it has been paying the government for its guarantees to repay \$1.2 billion that Chrysler borrowed to survive.

At the time the now-unsuccessful rescue package was being put together in 1979 and 1980, few people imagined that the warrants, for which the government paid nothing, would so quickly become valuable enough to merit much attention.

Gerald Greenwald, Chrysler's vice chairman, said on Friday that despite the return of Chrysler from near-bankruptcy, made possible by the government loan guarantees, the terms of the agreement are too onerous.

"At some point you have to define what the term 'onury means," Mr. Greenwald said. He said the company was looking at ways to reduce the burden represented by the warrants — a burden that he said made it more difficult for Chrysler to begin borrowing money again in the capital markets.

The Chrysler Loan Guarantee Board, established by Congress to supervise the program that rescued Chrysler, acquired the 14.4 million warrants "to buy the company's common stock to fulfill a desire of Congress that the government share directly in the financial benefits of a successful rescue."

The stock has been rising in price because Chrysler's auto sales

(Continued on Page 9, Col. 2)



Brother's Push Into Electronic Typewriters ...

1982 shipments of electronic typewriters, in thousands of units, to United States and users.

I.B.M.	100
Xerox	45
Adler-Royal	44
Olympia	40
Olivetti	38
Brother	25
Others	26

Source: Datapark Inc.

... Should Spur Rapid Growth

Sales and profits in millions of dollars, years end Nov. 20, 1982 data are projected.

SALES	PROFITS
481	518
518	545
545	568
568	702
702	18.3
18.3	21.4
21.4	18.4
18.4	27.7
27.7	31.8

Source: Projected by Naco Research Center

The New York Times

Brother Is Entering Office Automation

By Steve Lohr

New York Times Service

NAGOYA, Japan — Brother Industries, Japan's leading producer of sewing machines and typewriters, is entering the office-automation field.

Not so much by choice but by necessity.

The company is being driven by stagnation in its traditional sewing machine business and the drastic changes that microelectronics technology has brought to the typewriter market.

"We are being forced into office automation," said Katsuji Kawashima, the 64-year-old president of Brother. Its principal entries in the field are electronic typewriters and computer printers.

To increase recognition of its brand name and typewriters in the United States, the company has begun a \$25.5-million advertising campaign.

The U.S. electronic-typewriter market is now dominated by IBM.

Last year, Brother's worldwide sales of electronic typewriters — distinguished from electric ones by their printed circuit boards, crowded with semiconductor chips, underneath the keys — jumped more than 50 percent, to the equivalent of \$43 million. Revenue from computer printers more than doubled in 1982, to \$51 million.

To be sure, the figures are bloated by the fact that these are compara-

(Continued on Page 13, Col. 5)

Life Is Harder for U.S. Banks in Paris

By Robert A. Bennett

New York Times Service

PARIS — Strains have been developing in the relationships between the major U.S. banks and the French government, mainly as the result of France's severe economic problems and the growing politicization of the French banking system, according to U.S. bankers in Paris.

The latest controversy centers on an attempt by the French government to require U.S. banks here to continue lending to financially ailing French companies.

But the troubles go considerably deeper. Earlier this year, Morgan Guaranty Trust Co. and Citibank decided not to participate in a relatively small credit to Crédit National, which is a government-owned financing agency.

The problem was technical but it created doubts whether, in the future, France will be able to raise huge loans from the international banking market, such as the \$4-billion loan it obtained last fall. Morgan and Citibank insisted on the inclusion of two clauses, "cross default" and "pari-passu."

Under the first, the French government would have to agree that if it were to go into default on any other loan it automatically would be considered to be in default on the Crédit National loan. The pari-passu clause would require France to give the Crédit National lenders as good conditions as France might give to any other creditor. Thus, if France were to borrow from, say the West German government, and put up gold as collateral, the French government also would have to collateralize the Crédit National loan with gold.

France refused to agree to these clauses and the U.S. banks therefore pulled out of the credit.

Aside from these problems, U.S. banks also have been finding it difficult, if not impossible, to make a

profit on their credit activities in France. The French government severely limits the degree to which banks, domestic as well as foreign, may increase their credits to French companies. The credits have been longstanding but the cumulative effects are becoming overwhelming.

This year, for example, French banks are allowed to increase their French franc loans by less than 4 percent, although their costs are rising by about 10 percent. That means the banks' expenses have been rising at a much quicker pace than their ability to earn, at least through the extension of credit.

The major thing affecting us is the credit ceiling," said Ronald Lepes, who is in charge of the Paris branch of Chase Manhattan Bank.

The cost squeeze has led two California banks, Security Pacific National Bank and Wells Fargo Bank, to close their representative offices in Paris within the last year, and two years ago, Republic National Bank of California closed its branch.

The squeeze has been difficult for the major New York banks as well. In efforts to cut costs, Citibank and Chemical Bank earlier this year moved their offices from chic quarters in the heart of Paris to nearby suburbs.

Citibank has moved to a complex known as La Défense, which can be reached by a special train from the center of Paris. The new offices are more modern than the old, but they lack the charm and elegance of Citibank's former building on the Champs Elysées.

Chemical, which has a far smaller operation in Paris, has moved its office, which was just steps from the Arch de Triomphe, to the primarily residential suburb of Neuilly, which lies at the end of the Paris Metro.

Besides lower rents, the move outside Paris has the advantage of

automatically breaking labor contracts with the bank's employees.

Under French law, that means workers have the right not to move to the new location and they are entitled to receive compensation for the loss of their jobs. As a result, Citibank paroled 40 employees from its staff, a development in charge of the branch, said be welcomed.

Competition for lending business is also considered by U.S. bankers to be especially keen. Mr. Lepes here, says this is because

"French banks are more interested in market share than in profitability."

As a result, all the U.S. banks here rely on nonlending activities, such as foreign-exchange dealing, to make profits.

The largest problem, however, for the biggest U.S. banks in Paris is the government's policy of trying to revalue many of the nation's financially troubled companies.

The government has proposed a rule whereby foreign banks would be required to continue lending to troubled companies if a majority of the company's bankers

agree to do so. Since government-owned banks account for 95 percent of loans in France, they would almost always have the majority.

Under the proposal, if the nationalized banks decided to keep lending to a troubled company, the foreign banks also would have to continue lending, based on their positions six months earlier. Thus, if a foreign bank had canceled a line of credit because it worried about a company's ability to pay, or if it had called a loan, the credit line or the loan would have to be reinstated at the option of the nationalized banks.

The foreign bankers also feel especially vulnerable now because, with the nationalization last year of most of the nation's banks, the foreigners have no allies who can help them fight the government's decision.

Thus, Eric Bourdais de Charbou

ière, vice president and general manager of Morgan Guaranty's Paris office, and who is also president of the Foreign Bankers Association, is not optimistic about the outcome.

"I'm losing my freedom of choice," he said.

Banks Reportedly Ask Caracas for Revisions

Reuters

NEW YORK — A study of Venezuela's financial prospects has convinced an advisory committee

of 12 international banks that the country will need to make further adjustments to its economic policy, banking sources said.

The committee, which ended a two-day meeting here Thursday, discussed a forecast prepared by bank economists that Venezuela will run a current account deficit this year of about \$2 billion, twice the size of the government's estimate they said.

According to one committee member, the banks have informed Finance Minister Arturo Soza that necessary economic adjustments are necessary, and the banks are now awaiting his response.

Venezuela introduced foreign-exchange controls in February when its foreign debt problems came to a head, and has cut down on imports in a bid to reduce its payments deficit.

The feeling among bankers here is that Venezuela's foreign-currency reserves, which are at about \$3 billion, could well make new bank loans to make up those deficits unnecessary this year.

But there is concern that Venezuela's current debt-amortization schedule and stagnant oil-export revenues will intensify problems in 1984 unless further economic ad-

justment measures are taken now, sources said.

The advisory committee confined itself at last week's meeting to economic projections and did not broach ideas for rescheduling Venezuela's foreign debt of more than \$30 billion, banking sources said.

Some \$13 billion of public-sector debt is due this year, including about \$10 billion in short-term loans. Gustavo Gallo, the director of public finances, said last week in Caracas that the government wants a rescheduling to also perhaps include longer-term maturities.

The banks and the Venezuelans are still at the stage of diplomatic soundings rather than at hard business discussions, one banker said.

It is believed that bankers in New York would like Venezuela to make further economic adjustments within the context of an approach to the International Monetary Fund.

Mr. Soza has held exploratory talks with IMF Director Jacques de Larosière about a standby credit for \$1.5 billion but has held back from a formal request.

Bankers said it is understandable that Venezuela should be reluctant to accept the IMF's strict terms, especially with general elections due in December. But they said IMF involvement is unavoidable if the country's problems are to be dealt with.

Socal Discusses Sale Of Some Europe Units

By Thomas C. Hayes

New York Times Service

LOS ANGELES — Standard Oil of California has started discussions with unnamed parties on the sale of all or part of its refining and marketing operations in Western Europe.

NEW EUROBOND ISSUES

Borrower	Amount (millions)	Maturity	Coupon %	Price	Yield At Offer	Terms
Finland	DM150	1988	7 1/2	99 1/2	7.56	
Kobe City	DM120	1993	7	99 1/2	7.07	
Sociétés de Dev. Reg.	DM100	1993	7 1/2	100	7.76	
Nordic Investment Bk.	DK100	1993	7	100	7	

First call in 1989. Sinking fund starting in 1987 gives 6.5-year average life.

Premature redemption by annual draws at a rate of 1/45 beginning in 1996. The effective before-tax yield will be 12.3%.

Market Cools To Warrants

By Yla Eason
New York Times Service

(Continued from Page 7)
the five-year section and the seven-year since. Both parts were offered at par. They fell to discounts between 1/2 and 2 points, wiping out the issuers' selling concession.

Late Friday, dealers groaned at the arrival of yet another bank issue, this time from Long-Term Credit Bank of Japan.

A third financial institution, European Investment Bank, scored a notable success with a 10-year issue priced at par and bearing a coupon of 10 percent. The issue ended the week at about 99, within the 125-point selling concession.

Overall, the market hummed along reassuringly last week, avoiding excess. Dog-eared issues in the secondary market showed gains of 1/2 to 2 points. The U.S. Treasury swallowed \$15 billion of new paper, without choking. As "spring" look-held, dealers' fancies were turned to thoughts of a cut in the U.S. discount rate from the current stubborn level of 8 1/2 percent.

The Fed threw a little cold water on such fauces late Friday, reporting that the M-1 grew \$1.4 billion in the latest week, higher than most forecasts.

Even so, hopes for lower rates have grown stronger. While traders watched for someone to test the market with a 10-percent coupon, a leading banker said: Friday, that those major issuing houses were talking to several potential bondholders.

Another deluge of new issues? "Hopefully, we learned something from the avalanche we saw in January," said Gregg Byers, executive director of Eurobond sales and new issues at Bank of America International.

At Ross & Partners (Securities), Perry Aldred, managing director, said: "The pace is just right at the moment, and I think most people would like to keep it that way."

International Herald Tribune

Carl Givens will resume his weekly column next Monday.

M-1 Rise Cuts Hopes for Fast U.S. Rate Drop

By Yla Eason
New York Times Service

NEW YORK — A \$1.4-billion increase in the basic U.S. money supply has dashed hopes for a swift decline in interest rates.

Heavy selling of longer-term U.S. government securities fol-

lowed the Federal Reserve's announcement late Friday that the M-1, the measure of money readily available for spending, rose to \$495.4 billion in the week ended April 27. M-1 comprises cash and money in checking accounts.

Most market analysts said the size of the increase in the M-1 had been unexpected since the analysts had estimated that the figure would drop by \$1 billion or at least remain unchanged.

Since M-1 fell a total of \$5.3 billion the previous two weeks, analysts were predicting that a third week's decline would prompt the Fed to lower the discount rate.

"Interest rates will fall, at a slower pace than anticipated," said

Karl Nicho, vice president for eco-

nomic research at Money Market Services, an econometric firm based in California, "and the Fed will be a little more passive about lowering the discount rate."

Mr. Nicho said that, since interest rates had fallen throughout the week, reflecting the strong buyer interest in the government's quarterly auction of securities, the market was more "vulnerable," with market participants expecting the downturn in interest rates to be rapid and continuous.

Danuta Zielonka, money-market economist at Manufacturers Hanover Trust, however, had predicted that M-1 would be higher. "Money is slowing down, but what happens is, two weeks don't always make a trend," he said. "I think we're going to have a few weeks of up-

Shortly after the release of the M-1 figure, the new 30-year U.S. bond that was auctioned last week traded on a when-issued basis at 100 17/32 to yield 10.43 percent, up from 10.37 percent Thursday. It had been as high as 101 in earlier trading and fell about half a point

on selling following the release of the money-supply figure.

Another U.S. issue auctioned last week, the three-year note, closed at 99 22/32, down 4 3/32 from Thursday, to yield 9.50 percent, up from 9.45 percent at Thursday's close. This was off 11 3/32 point on the day. The 10-year note, which was also auctioned last week, closed at 99 20/32, unchanged from Thursday, but down 11 3/32 point from earlier in the day to yield 10.19 percent.

"One element which might have alleviated a sharper decline was the

free position," Mr. Nicho said. "It was kind of comforting to the market that everything they had hoped for was not out the window."

The Fed reported that banks ended the week to May 4 with net reserves of \$287 million. Free reserves result when banks on average have more in surplus reserves at the Fed than they need to meet their requirements. Banks are required to keep a certain percentage of their deposits at the Fed.

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May 9, 1983

Polaroid's Instant Slides Not Expected To Bolster Company's Sagging Profits

By Steven J. Marcus
New York Times Service

NEW YORK — Polaroid has come to market with a system that it hopes will do for slides what the Land camera did for photographs.

Last month the Autoprocess system, which develops and processes slides in three minutes, went on sale in Boston-area camera stores and professional supply houses. The response has been enthusiastic. At Crimson Camera Technical Sales, a Cambridge, Massachusetts, company that deals exclusively with commercial customers, Don Perrin, general manager, said, "We can't wait to get more in stock."

Mr. Perrin's customers are precisely the target Polaroid has in mind. While most of the company's products in the past have been designed for the mass consumer, Sheldon A. Buckler, executive vice president of Polaroid, said the Autoprocess's "heaviest users will be in large manufacturing companies and medical, scientific and research institutions."

The system he added, is intended to provide quick and inexpensive display materials for "that omnipresent phenomenon of the 20th century — the meeting."

The core of the system is the Autoprocessor, priced at \$32.50 and first presented last year at Photokina '82, an annual trade fair in Cologne, West Germany. The special Polaroid film can be used with any 35-millimeter camera. After the film has been exposed, the film and a processing pack that comes with each roll are placed in the Au-

toprocessor, from which the "rapid-access transparencies" emerge.

The Autoprocess system provides three choices of film: color, black-and-white for general-purpose use, and high-contrast black-and-white for line art and type copy.

However, just as a television image has poorer resolution, is grainier, than a movie image, so Autoprocess slides appear grainier than conventionally produced slides. In addition, the slide is thicker and therefore a little more resistant to light.

Nevertheless, analysts expect that quality will be acceptable for many industrial and commercial applications. Brenda Lee Landry of Morgan Stanley & Co. predicts that Autoprocess slides will capture 5 to 10 percent of the worldwide slide market in three or four years.

Polaroid estimates that about 10 billion slides were made last year, half in color. Industry analysts value the color market at \$2 billion; they say the black-and-white slide market, which is mainly commercial, is more difficult to estimate.

But the analysts say the Autoprocess is unlikely to give much support to Polaroid's sagging profits.

makes instant prints from slides, and a device to be introduced at the National Computer Conference this month that helps transform personal-computer displays into photographs.

Two-thirds of the company's business depends on product acceptance by amateurs, however, and Mr. Morton believes Autoprocess will not suit them. Likening it to Polaroid's now defunct instant-movie camera, he says: "Polaroid was a flop not only because it was expensive and its quality was inferior to what was available, but because it required special equipment — a projector — to view."

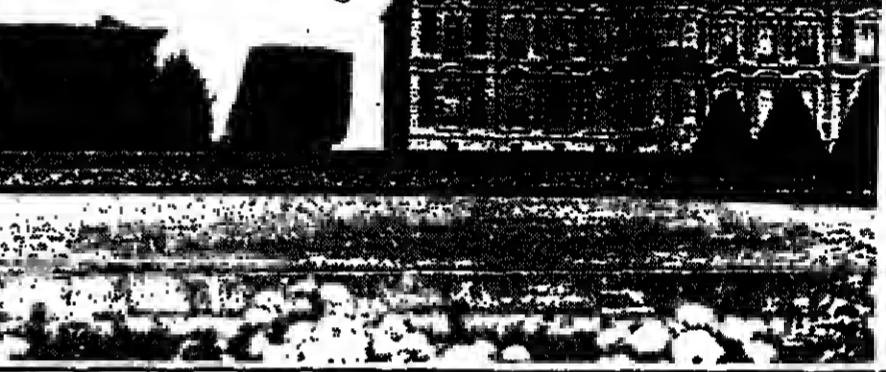
But the company is aiming the Autoprocess mainly at professionals, who shoot two-thirds to three-quarters of all slides, according to Polaroid studies. Amateur photographers can expect innovations in the future, too, say Polaroid officials, but from the company's amateur-products division.

Italy's Trade Deficit Falls

Reuters

ROME — Italy's trade deficit fell to a provisional \$32 billion lire (\$228 million) in March from a provisional level of 1.2 trillion lire in February.

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LANGUAGE

Snugger at the Fed

By William Safire

WASHINGTON — Will the Federal Reserve Board reduce the availability of reserves in the banking system, thereby restraining the growth of the money supply, and thus either valiantly stop a resurgence of inflation or foolishly abort a recovery? (*Abort* now goes with recovery the way *awash* used to go with oil.)

The New York Times financial reporter Michael Quint quoted an unnamed government securities dealer as replying: "There are those who think the Fed has snugged a notch, those who think they have snugged two notches, and those who think they have not snugged at all."

Most of us know the adjective *snug* from its early nautical sense, "trim, tight, neat, protected from bad weather," and quickly recall Benjamin Franklin's letter of 1772 to the shapely Georgina Shuyler that included the doggerel: "Here Skugg lies snug as a bug in a rug."

The nautical associations adhere like barnacles to the hoarser verb *to snug*. By hattening down the hatches, furling the sails, stowing the movable and lowering the topmast, sailors *snugged* their ship, making it trim and stormworthy.

The securities dealer made a nice figurative extension of the act of preparing for inflationary storms: By tightening money, the Fed *snugs* the economy.

Another waterlogged word popped up in a quotation recently: "I think the company has been able to get its dohber back in good shape, and I think I have as well," said a hotel executive about recovery from a tragic skyway collapse. Writes Steve Boone of Point Pleasant Beach, New Jersey: "What is a dober? Is it a Missouri barnyard?"

A *dohber*, sometimes called a *bobber*, is a cork or plastic float that a fisherman ties to his line to keep the bait at the desired depth and to let him know when a fish is nibbling. When your line gets fouled or some fish steals your bait, you look forward to the day when you get your dohber in good shape.

IT'S NICE to have your own money to spend, isn't it?" Sounds like an innocuous observation, in reality, those words are a

sneaky salesman's way of asking a young person: "Tell me, now, if there's somebody else you have to consult before buying."

"How'd you hear about us?"

According to Steve Salerno, in an article in *Highwire*, the national student magazine published in Lowell, Massachusetts, the hidden meaning of that piece of sales language is: "Were you recommended? If so, I can probably get away with charging you more."

"Have you been looking for [the product] for very long?"

That means: "Do you have other price information, I'm going to have to contend with, or are you a novice?"

The author also tells young people to keep an ear open for sales euphemisms. For example, no smooth salesman says, "Let's sign the contract"; rather, the archly offhand words are *Let's approve the agreement, or authorize the paperwork, or OK the forms*.

WHILE I had *Highwire* on the line, I inquired about the latest teen-age talk. Are teen-agers still calling parents *rents*? No such luck, says editor Ed Miller; *tood* refers to a parent now, and "my old man" is "my old toad."

What is a current expression of approval? "*Bold, rave, radical and dual* are in," reports Miller. *Dual*? "Apparently it has something to do with the desirability of a dual exhaust system on one's car," he says, "and *dual* in the sense of 'double' conveys the idea of 'twice as good.' All of these expressions can be used with the intensifying prefix *mega*," he adds, "thus *megadual*, which is defined as 'totally awesome.'"

The verb *to rap*, meaning "to chat," has developed into *rapping trash*, probably a play on "wrapping trash."

Teen-age use of drug lingo, which I think has peaked, or spiked, may have come to its logical conclusion with the simple English word *drugs* — not *smash, snort, hash or even pot* — used to explain approval. "For instance, your friend says, 'Let's go over to the new *Dire Straits* LP,' to which you reply, 'Drugs!'"

According to the New York Times Service, "It's nice to have your own money to spend, isn't it?"

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RV, Sweet RV

By Sam Hall Kaplan
Los Angeles Times Service

LOS ANGELES — Though designed, manufactured and marketed for seasonal vacation use, recreation vehicles — RVs — are being bought by more and more people for convenient, year-round, low-cost housing.

They are being parked legally in mobile home courts and short-term RV campgrounds and illegally in backyards and on streets, in parks and forests and just about anywhere an owner might be able to get away with it.

What seems to be evolving is a lifestyle in which people in need of housing are willing to accept some of the inconveniences of living in an RV for its low cost and flexibility — even though it might be illegal.

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of steady growth that was called phenomenal by the association's William Garow.

In its official pronouncements, however, the industry likes to cite as the principal stimulants an improving economy, lower gas prices, more attractive vehicles and the growing popularity of camping vacations. When referring to the use of RVs as housing, Garow is careful to insert the word "seasonal" before housing.

Garow commented that if there were a trend toward using RVs as permanent housing, "it must be something new coming to do with the way people in need of housing are willing to accept some of the inconveniences of living in an RV for its low cost and flexibility — even though it might be illegal."

What seems to be evolving is a lifestyle in which people in need of housing are willing to accept some of the inconveniences of living in an RV for its low cost and flexibility — even though it might be illegal.

Unlike the occupants of tent cities, RV owners using their vehicles for permanent housing tend not to be down and out, but rather persons of modest income who are just caught in a bind for shelter in a tightening residential market. The fact is that to buy an RV one needs enough for a down payment and also must qualify for a loan.

RV campgrounds and courts, which to date have been viewed by most zoning boards with disdain, "Government just does not seem to want to recognize what is happening," he added.

Unlike the occupants of tent cities, RV owners using their vehicles for permanent housing tend not to be down and out, but rather persons of modest income who are just caught in a bind for shelter in a tightening residential market. The fact is that to buy an RV one needs enough for a down payment and also must qualify for a loan.

More aggressive in rooting out illegally parked RVs have been the U.S. Forest Service and the state and county park and recreation departments. They strictly monitor their campgrounds and evict and fine any RV owner who exceeds a 14-consecutive-day parking limit.

This has created RV nomads, who are said to move from campground to campground every 14 days.

While a few of the owners interviewed admitted they bought their RVs knowing they would park them illegally in the backyard of a friend or relative, the majority said they preferred a properly zoned private campground or, better yet, a mobile home court. The problem is that there is a dearth of such accommodations.

Those parked legally in a private campground were somewhat more open, although they, too, worried that they might be evicted if they said something to call attention to the trend and impeded their landlord in some arbitrary practice, such as offering consecutive leases. Many of the campgrounds by law limit their leases to three months, though this reportedly often is ignored, sometimes for a below-the-table fee. There are no limits for RV parking in mobile home parks, if a rare vacant space can be found.

According to owners, the demand for spaces has led to abuses by a few park operators, such as overcrowding and demands for extra fees for utility connections and maintenance.

Another owner, a 38-year-old, recently divorced engineer, said he has been living for about six months in an RV illegally parked in the backyard of a friend's

house, just a few miles from his job in a Los Angeles suburb.

"When I moved out of my house, I just couldn't find an apartment near work at a reasonable rent," he explained. "I used to do a lot of camping so I thought, why not just buy an RV and live in it? The payments are cheap; I'm really not home that much and I can use it to take my kids for vacations. They love it."

Unless a neighbor files a complaint, there is little chance that a person living illegally in an RV in a backyard will be forced to vacate or move. Nevertheless, Los Angeles County Planning Director Norman Murdoch noted a "definite increase over the last year in reports of abuses involving illegally parked RVs" in both rural and urban areas. "If you look for them, I'm sure you'll find more today than, say, a year ago," he added.

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